



2017 Half Year Results

July 27, 2017

○○○○ Safe Harbor

This press release contains forward-looking statements which are subject to various expected or unexpected risks and uncertainties that could have a material impact on the Company's future performance.

Readers are also invited to log onto the Group's website to read the full text of the annual report for 2016, including the risk factors and uncertainties for 2017-2018, the 2016 financial statements, which include in particular the risks related to the investigations on anti-competitive behavior launched in 2009 (see Note 30 a) to the consolidated financial statements, "Antitrust Investigations"), as well as chapter 3 of the 2017 half year financial report on risk factors and main uncertainties.

The Group's outlook for the second half of 2017 and beyond is subject to several major uncertainties:

- The continued impact of depressed prices in Oil & Gas industries on customers' capital expenditures;
- The crisis in shipbuilding and the construction of offshore platforms, particularly in Asia;
- The deteriorated economic and political situation in South America, coupled with the impact of recent natural catastrophes which are impacting demand, as well as exchange and credit risks;
- The impacts of the political crisis in Qatar on Nexans' activities in the region;
- The economic and political environment in the European Union and the United States, with potential major changes in trade policies (customs protection, embargoes, etc.) and tax systems, including the potential impact of Brexit;
- The volatility in LAN projects in the US;
- The risk that market conditions will prevent the projected results of restructuring of the Group's business portfolio from being achieved at the planned pace;
- Inherent risks related to carrying out major turnkey projects for high-voltage submarine cables, which are exacerbated by concentration on a low number of large-scale projects (Maritime Link, Nordlink, Beatrice, NSL, East Anglia One) and the high load of the relevant factories;
- The risk that certain R&D and innovation programs or programs designed to improve the Group's competitiveness experience delays or do not fully meet their objectives;
- The timeframe and the economical impacts of the market transition to building wires and cables complying with the new European CPR (Construction Products Regulation).

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○○○○ Key Take-aways

Organic growth driven by Project activities

- Sales of 3,206 M€ - reflecting a +2.4% organic growth (+4.6% excluding Oil & Gas)
- Growth fueled by a strong Project activity – notably in Submarine High Voltage
- Difficult market environment in SAM - expected to improve in H2

Margin stable – with initiatives offsetting Price Cost Squeeze

- Operating margin at 140 M€, stable compared to H1'16 (+36% versus H2'16)
- Contribution from Strategic Initiatives (43 M€) offsetting the Cost & Price pressure effect
- Income before tax at 126 M€ (+80 M€ compared to HY'16, including 65 M€ of core exposure impact); Net result at 92 M€ versus 29 M€ in HY'16

Balance Sheet and Cash management

- Net debt at 423 M€ after dividend payment (22 M€), share buyback (11 M€) and external growth (12 M€)
- Bond issue of 200 M€ at 2.75% interest rate (Q1'17) followed by the reimbursement of the 350 M€ bond at maturity date (5.75% interest rate)



Agenda

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Half Year 2017 highlights

2

Business review

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Key Financials

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Appendix



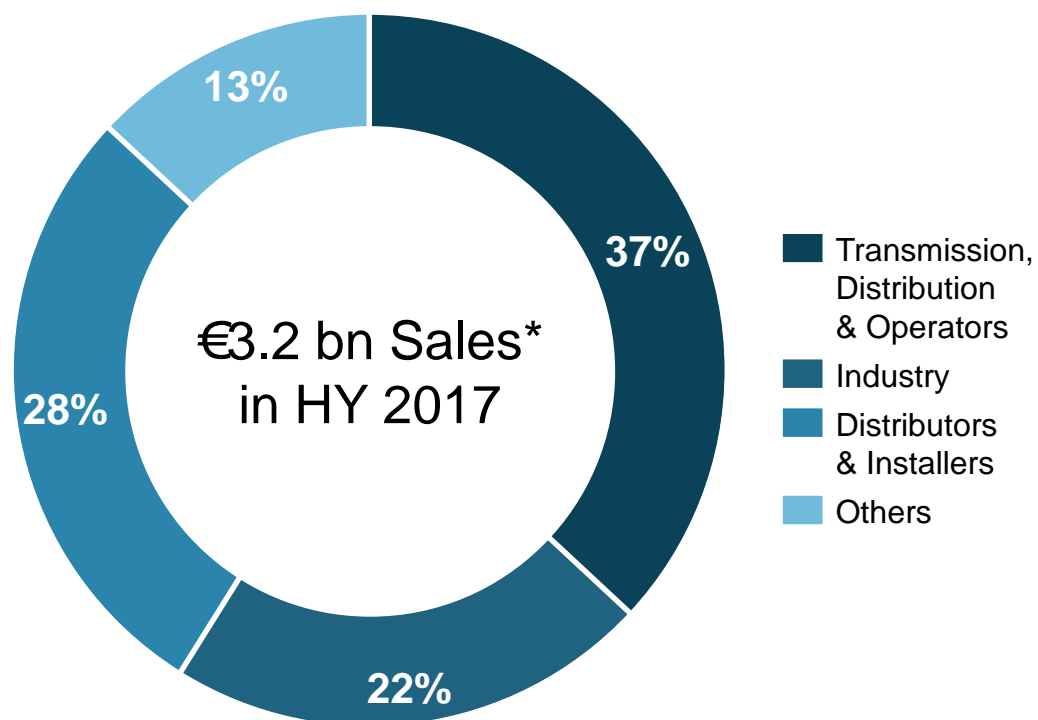
1 000 **First half 2017 Highlights**

Arnaud POUPART-LAFARGE, CEO

1 Nexans, a global cable solution provider

Well positioned on its four end-markets

Sales by business segments



* Sales at actual metal prices

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End markets

Energy and data infrastructures



- Power transmission
- Power/data distribution
- Accessories

Energy resources



- Mining
- O&G
- Renewables
- Power plants

Transport



- Aerospace
- Railways, city rail
- Automotive
- Shipbuilding

Buildings



- Residential
- Commercial
- Data

1 ○○○ Nexans brings Energy to Life

Energy transition

Bringing Germany closer to its '100% renewable energy by 2050' plan

TenneT awards Nexans a €100 million-worth contract for the supply of HVDC interconnection for offshore wind farms in the North Sea.

The Nexans contract includes two 90-km-long XLPE-insulated 320 kV DC cables, accessories and installation, as well as the installation of a fiber-optic cable for data transfer



1 ○○○ Nexans brings Energy to Life

Energy transition

Carrying green energy to thousands of Norwegian households

Linka AS, the electrotechnical contractor for the project, has chosen Nexans to supply cables for Roan Wind Farm, the largest onshore wind project in Europe.

Nexans will supply 200 km of TSLF 36 kV underground cables to interlink 71 wind turbines with a total output of 255 MW and transmit the power to the grid



1 ○○○ Nexans brings Energy to Life

Energy transition

Addressing the growing submarine energy market

Nippon High Voltage Cable Corporation (NVC) becomes a 100% Nexans company.

Created in 2006 with the objective to support the development of the Group's sales by adding capacity in Oil Filled and Mass Impregnated Paper Cables, the Japanese plant will continue to support Nexans development in the submarine power cable market



1 ○○○ Nexans brings Energy to Life

Energy resources

Securing a leading position in the subsea market

Nexans signed five-year Global Framework Agreement with BP covering the engineering, procurement and construction of umbilical and Direct Electrical Heating (DEH) systems and ancillary equipment.

Nexans will supply Umbilical and DEH systems, specially designed to accommodate supplier-led solutions



1 ○○○ Nexans brings Energy to Life

Exponential growth of data flow

Driving the hyper-connected world of tomorrow

Nexans launches Nexans Data Center Solutions to help global hyperscale data centers operators keep up with the exponential data growth.

The new Business Unit will provide hyperscale data centers with scalable and resilient physical layer infrastructure products: from data cabling, connectivity and pre-terminated assemblies, to transceivers and fiber containment systems



1 ○○○ Nexans brings Energy to Life

Energy transition

Driving eco-mobility through strategic partnerships

Nexans increases its stake in G2mobility, a startup specialized in smart charging systems and solutions for electric vehicles.

This emblematic "start-up - large group" partnership combining G2mobility's agility and expertise with Nexans' resources and know-how on an international scale illustrates the common commitment to building sustainable solutions for the Mobility of tomorrow



1 ○○○ Nexans brings Energy to Life

Energy transition / CSR

Contributing to greener environment through efficient CSR policy

Nexans inaugurated a new 600 kW-peak solar power system at its Liban Cables facility.

By replacing one of its 6 electric generators with photovoltaic panels, Liban Cables will reduce greenhouse gas emissions by 750 tons per year



1 ○○○ Nexans brings Energy to Life Innovation

Bringing more value to customers with IoT

Nexans and ffly4u, the industrial Internet of Things (IoT) specialist, are pioneering a tracking and management service that lets DSO customers know the exact location of their drums and indicates how much cable is left.

Nexans' connected service helps site operators save on costs and working capital as well as plan their daily operations more effectively with detailed knowledge of the type and quantity of cable on each drum



1 ○○○ Nexans brings Energy to Life Innovation

Boosting train fire safety

Nexans launches FLAMEX® SI-FR line of fire-resistant cable products for critical power and control systems used in trains.

FLAMEX® SI-FR cables are particularly suitable for high temperatures and when required to save weight as the cables can operate at up to 170°C with a maximum operating voltage of 3 or 6 kV



1 ○○○ Nexans brings Energy to Life Innovation

Relieving Europe's congested power networks

As part of the EU-funded 'Best Paths' project, Nexans is contributing to the creation of a new generation of high voltage direct current (HVDC) superconductor cables.

With nearly 40 leading organisations from research, industry, utilities, and transmission systems operators, the project aims to develop novel network technologies to increase the pan-European transmission network capacity and electricity system flexibility



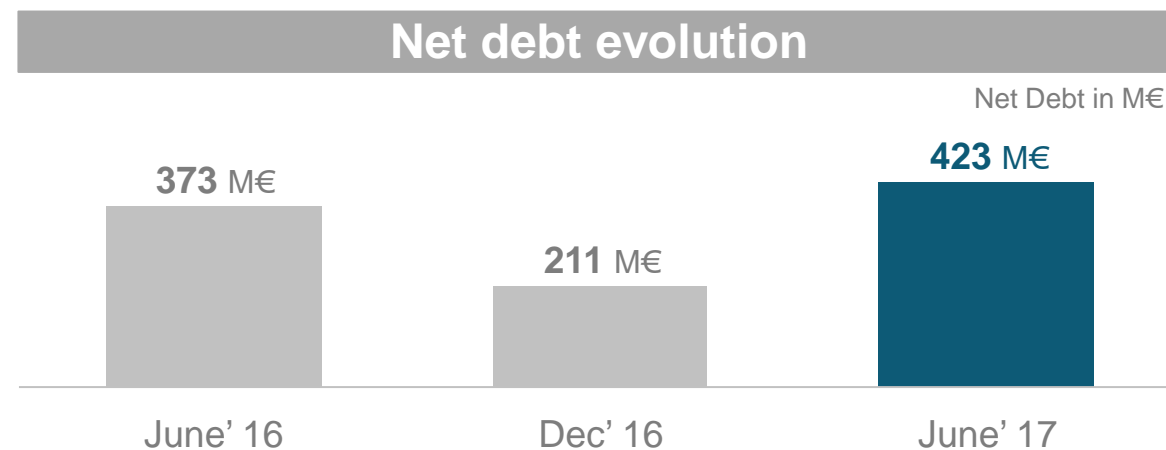
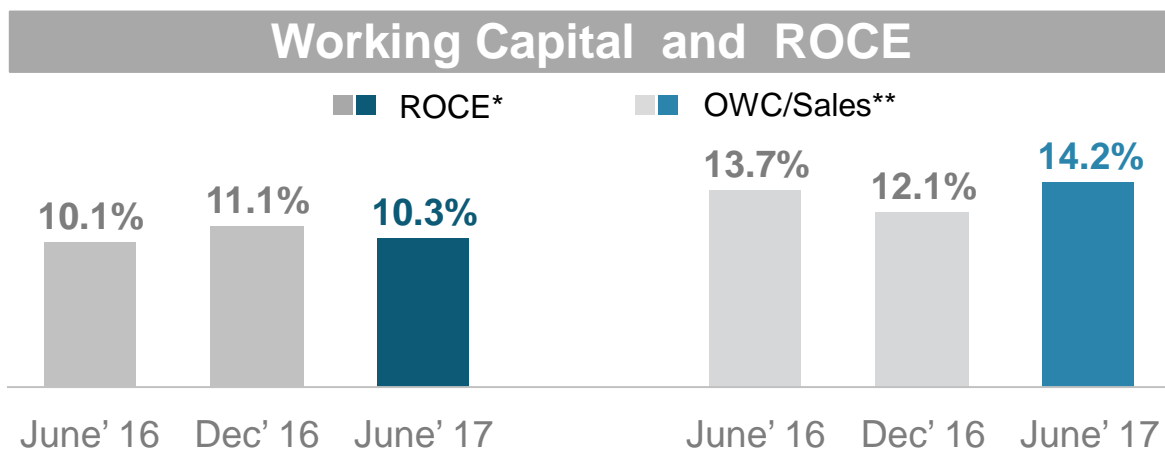
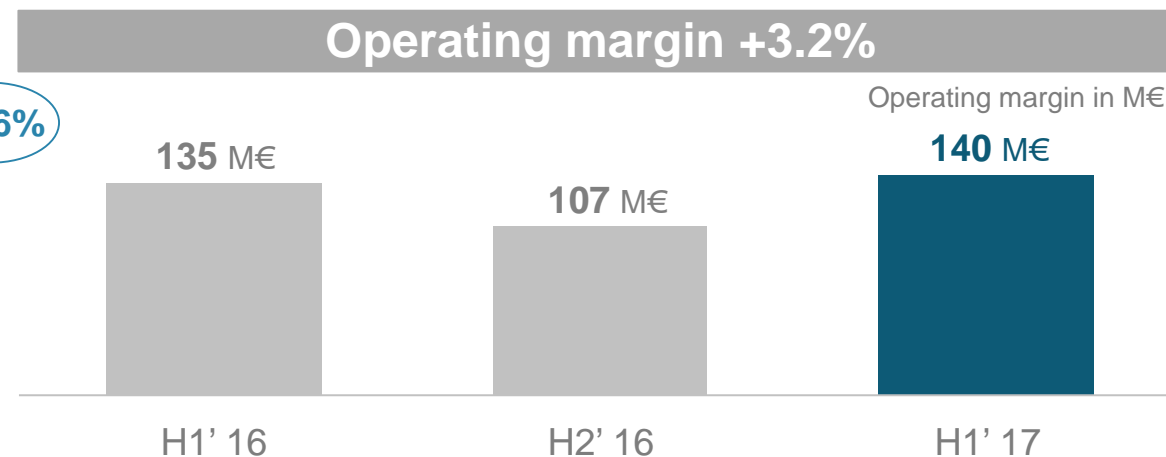
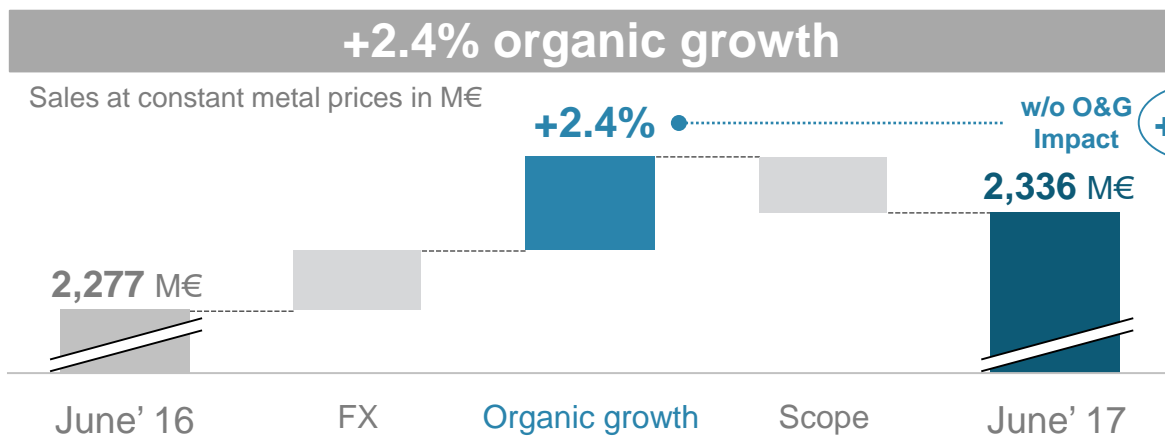


○ 2 ○○ Business Review

Arnaud POUPART-LAFARGE, CEO

2 Half Year 2017 key figures

Nexans on its way to achieve its transformation plan

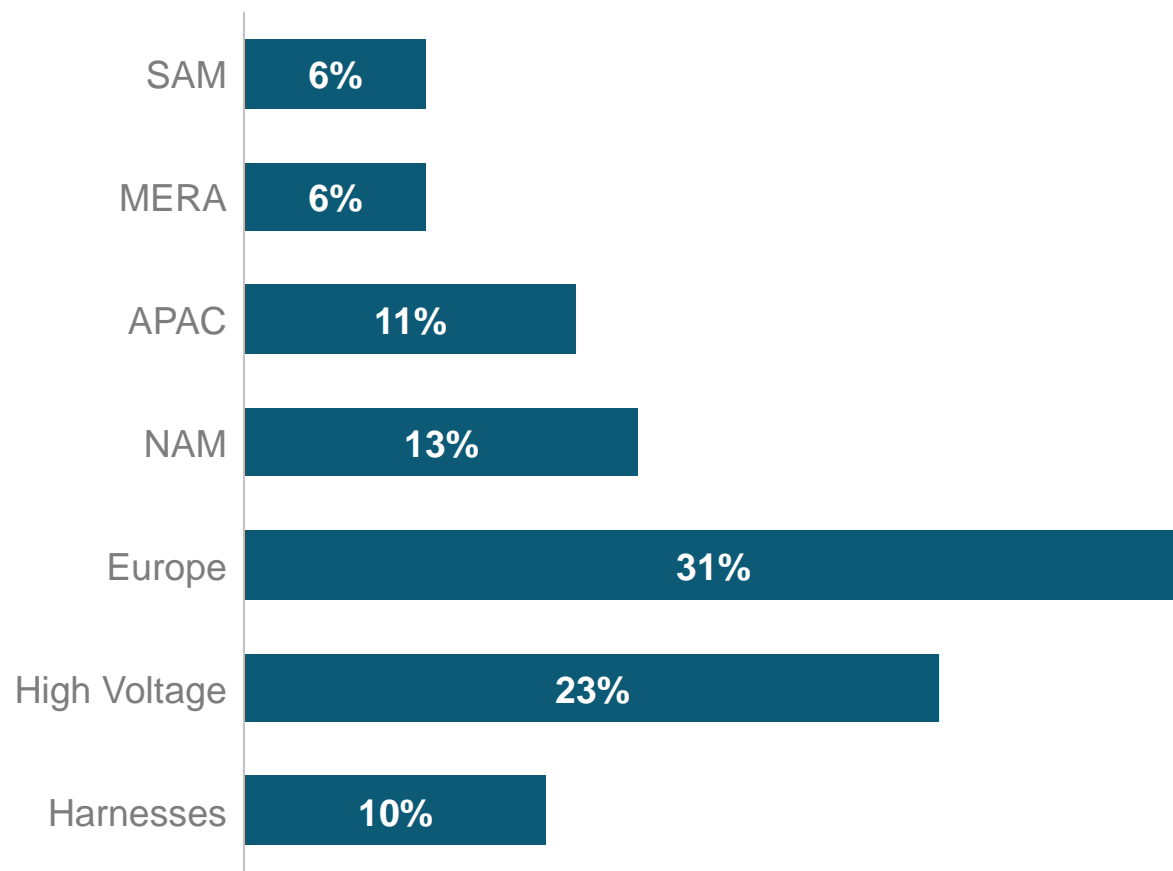


* 12 month OM on end of period Capital Employed, restated for Antitrust provision ** Operating Working Capital / (last quarter sales at actual metal price x 4)

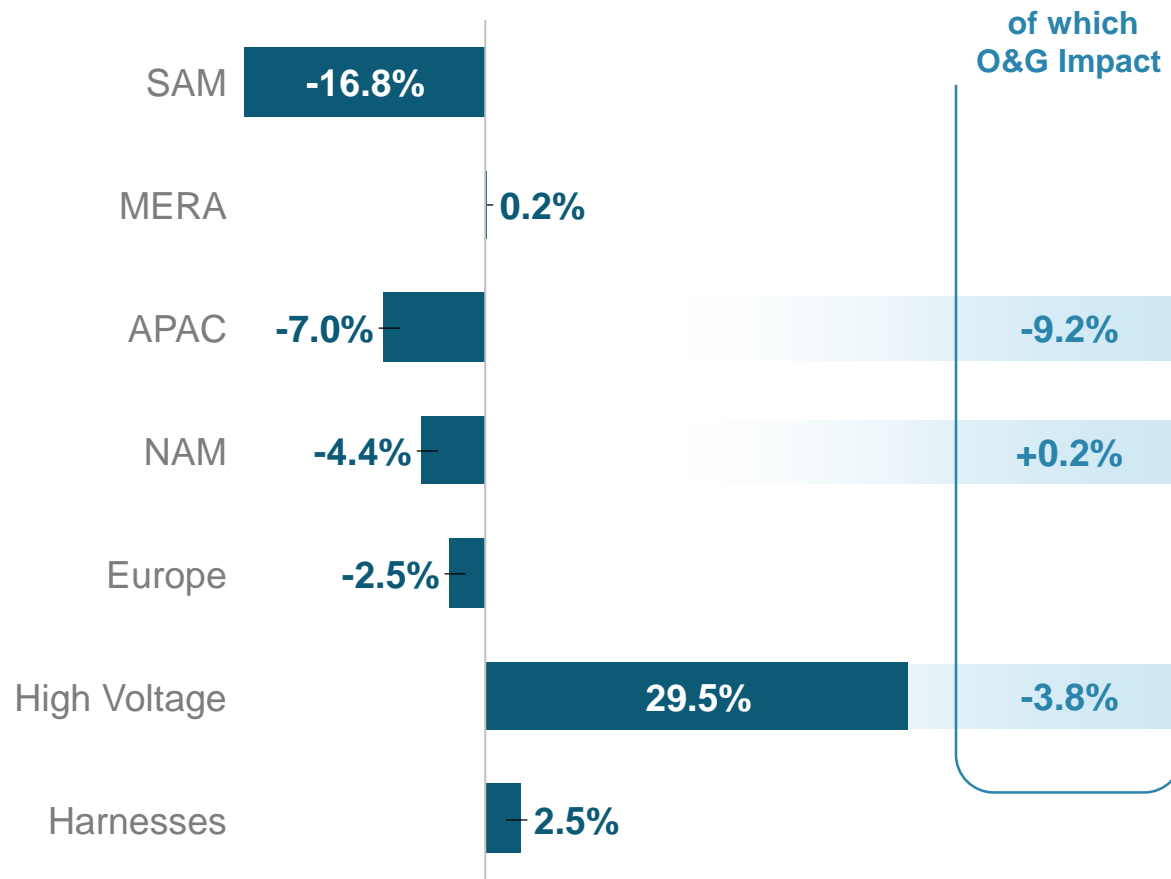
2 Sales by geographies

A contrasted business environment

% of Standard Sales



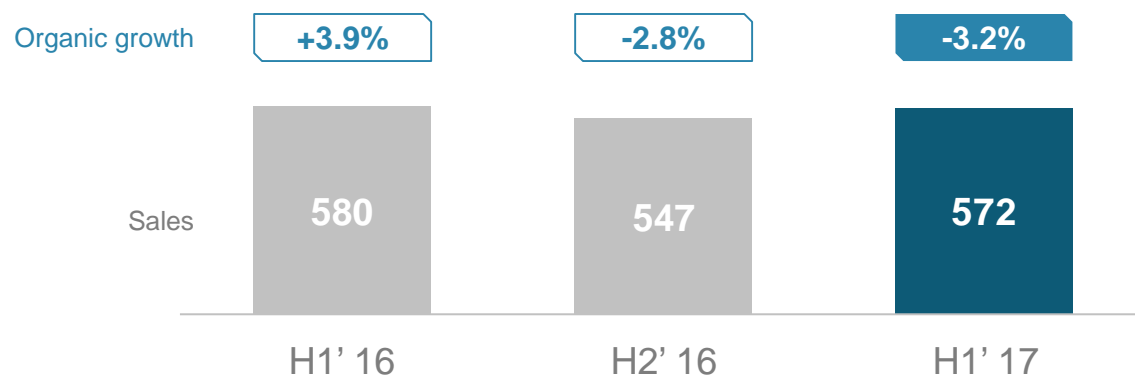
H1 2017 Organic Growth



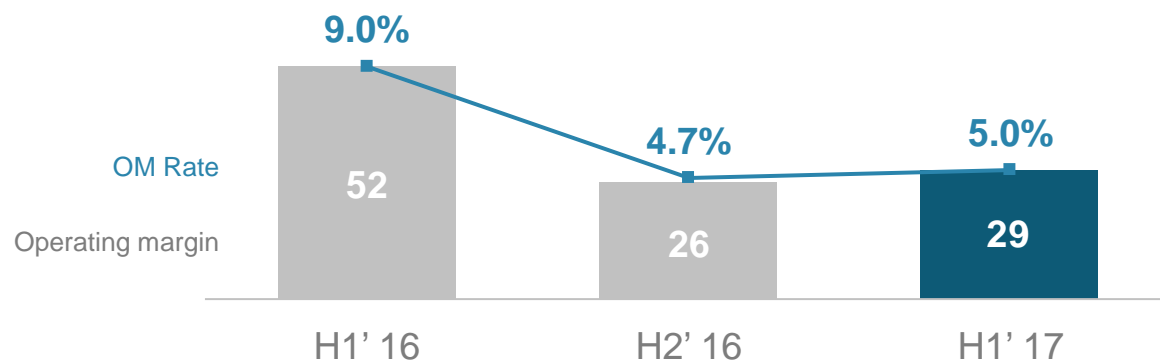
2 Distributors & Installers

A slow recovery after a tough H2'16

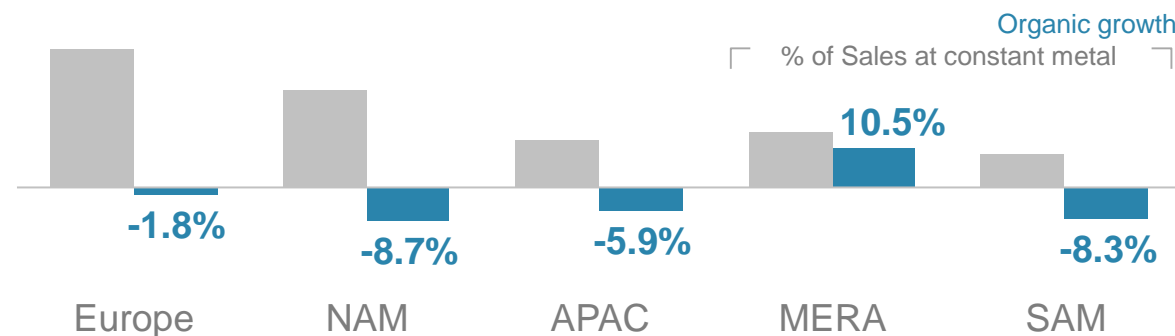
Sales at constant metal: 572 M€



Operating Margin : 29 M€



Business Update



BUILDING: -0.4% organic growth

- Price pressure in all areas
- Tough market conditions in SAM, NAM and APAC
- Stable volumes in Europe
- Strong momentum in MERA (+10.1% compared to H1'16)

LAN and CABLING SYSTEMS: -11.4% organic growth

- Combined effect of a softer market and destocking in the US

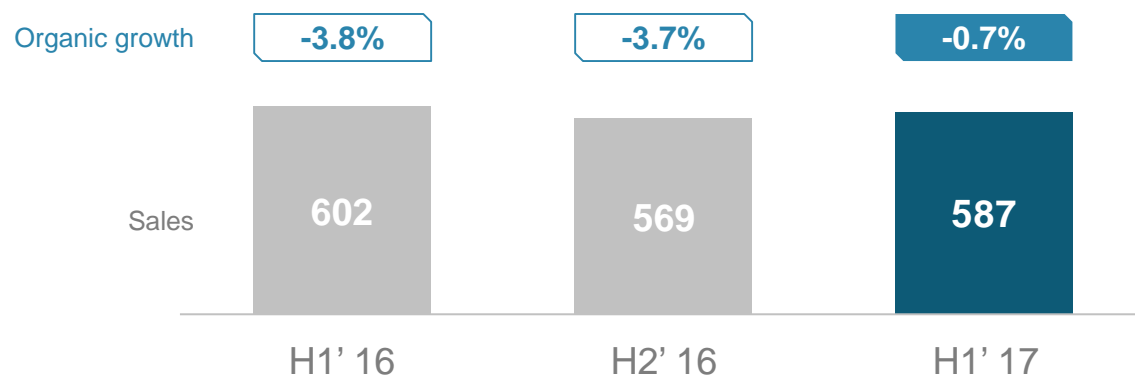
Margins

- LAN margins are back to normal after a strong H1'16
- Building low but recovering progressively

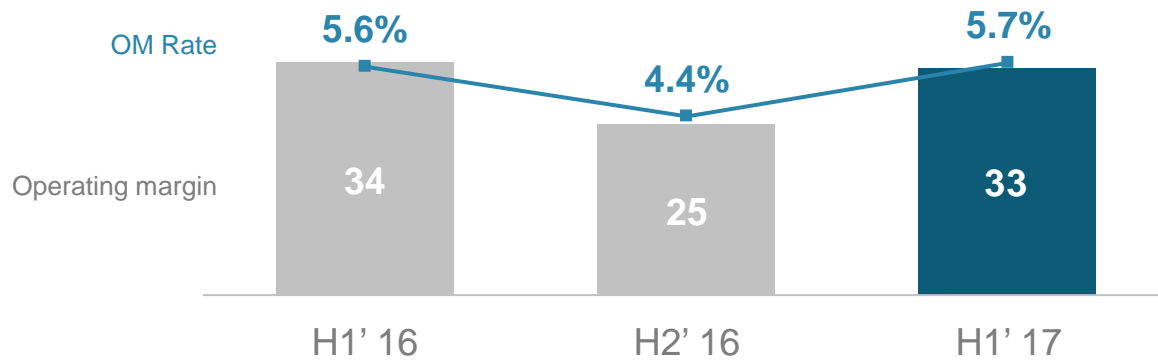
2 Industry

Steady margin versus H2'16 despite heavy O&G impact

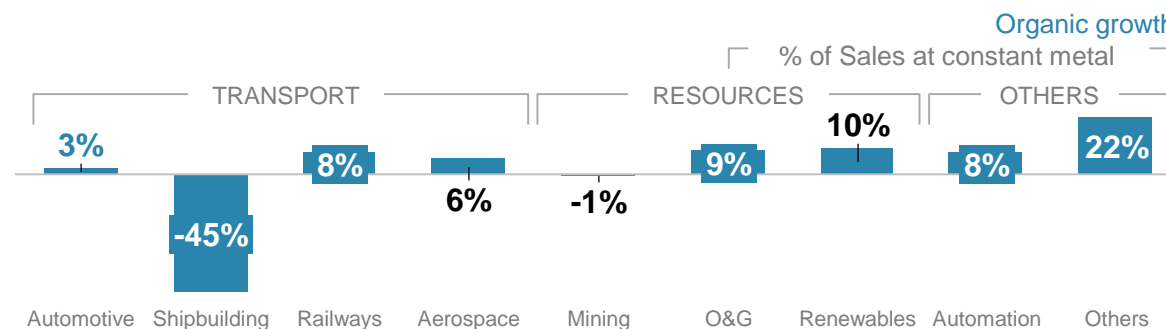
Sales at constant metal: 587 M€



Operating Margin : 33 M€



Business Update



TRANSPORT: 65% of Sales

- Sound performance in aerospace and upturn of railways rolling stocks in China
- Growth in Harnesses mitigated by a temporary margin erosion
- Depressed O&G related to demand for Asian shipyard – weighing on volumes and margins

RESOURCES: 20% of Sales

- Progressive recovery of volumes at AmerCable
- Solid growth and market trend in Renewables

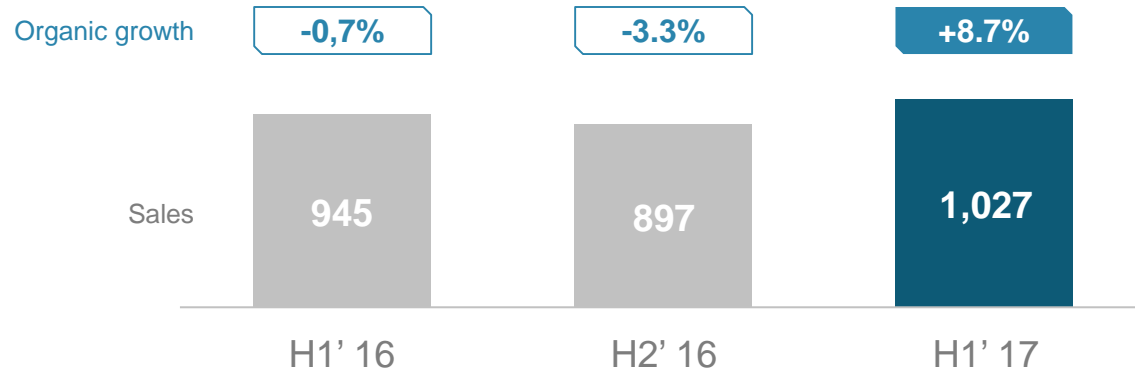
Margins

- Positive developments in dynamic segments offset the downturn of Asian shipyards

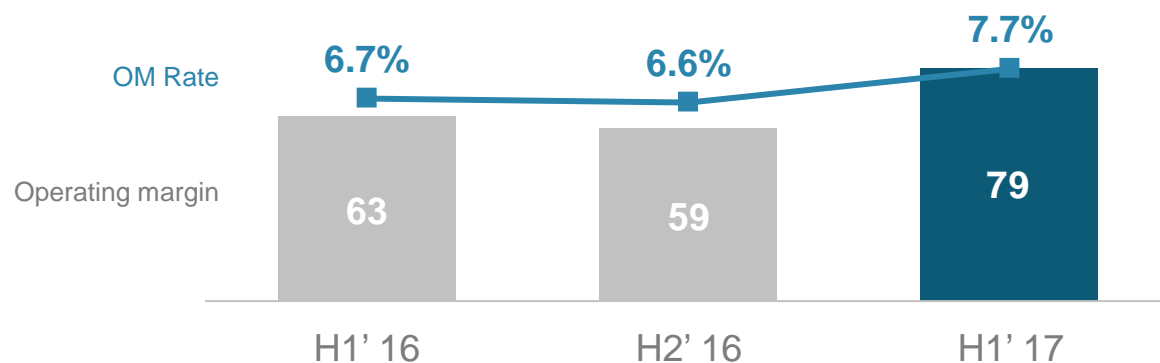
2 Transmission Distribution & Operators

A dynamic business with contrasted market segments

Sales at constant metal: 1,027 M€



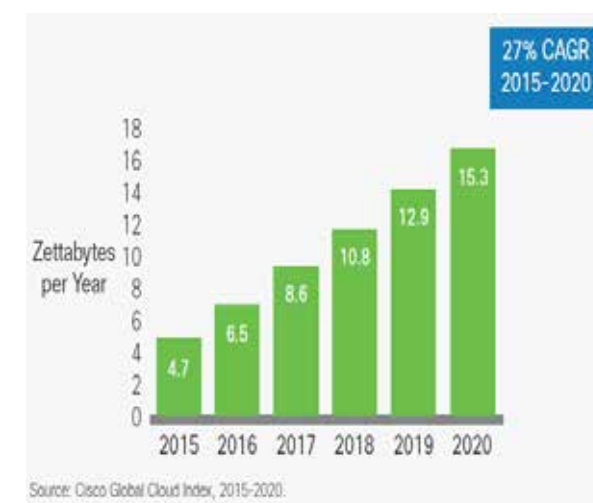
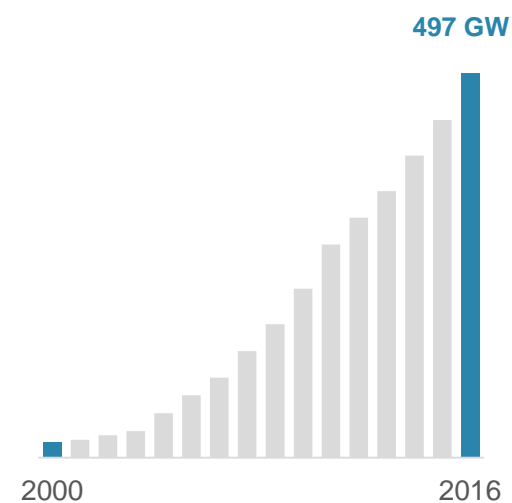
Operating Margin : 79 M€



Market Drivers

WIND POWER

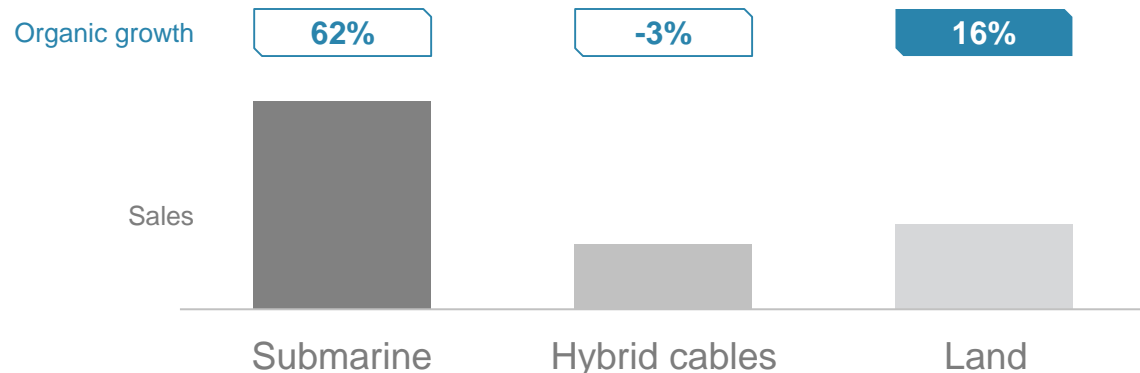
GLOBAL DATA CENTER TRAFFIC GROWTH



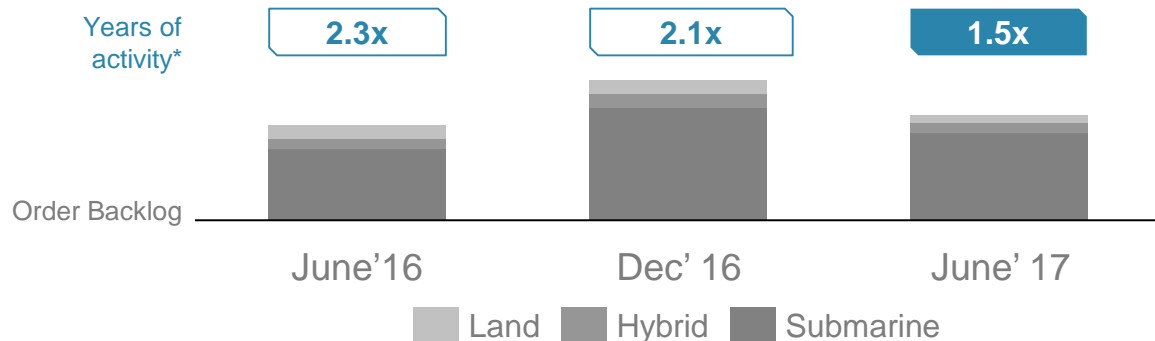
2 TD&O / Transmission

An intensive Submarine High Voltage activity

Organic Growth : +32.7%



Order backlog



Sub-sea

- Robust activity in Submarine High Voltage correlated to optimal execution of major projects drives higher margins
- Hybrid Cables include lower demand for Umbilicals and a pick up in submarine telecom contracts. Volumes in Umbilicals to resume growth in H2 – though at lower margins

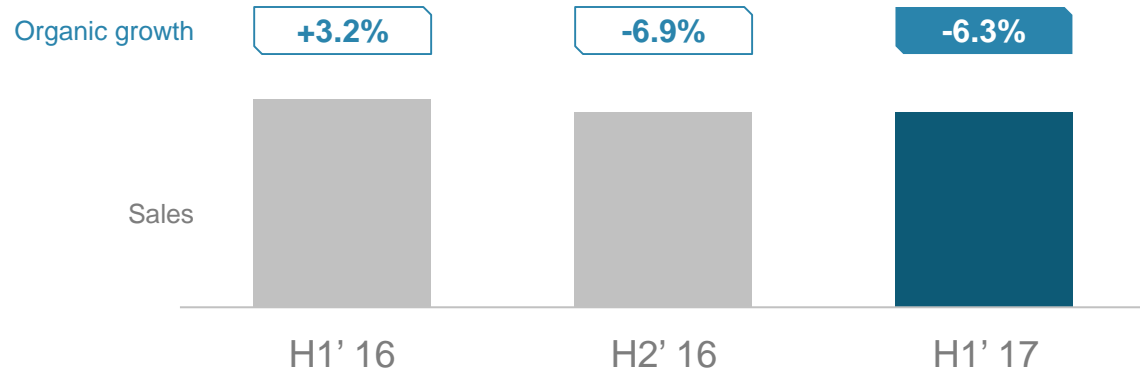
Land High Voltage

- Firm activity growth confirming the recovery started in 2016
- Operating margin still dragged down by the under utilization of the Chinese assets and an higher but un-optimized load in NAM

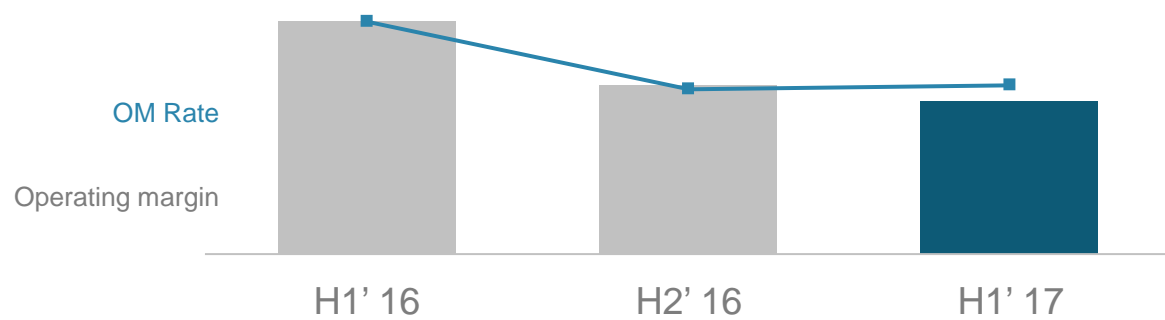
2 TD&O / Utilities and Operators

Firm growth in Operators but a struggling Utilities business

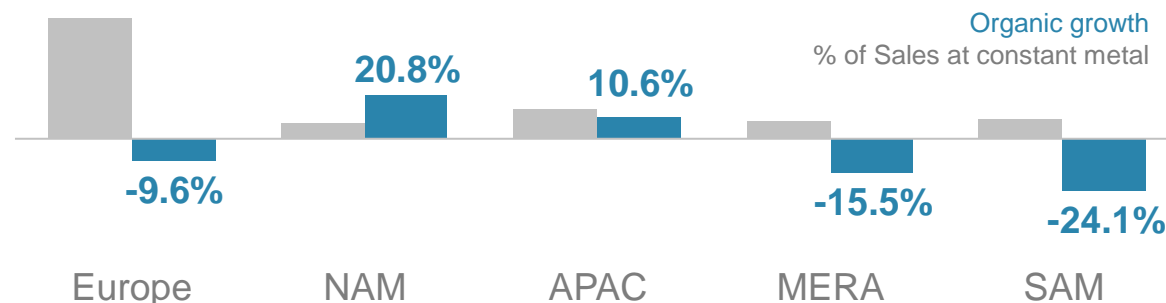
Organic growth : -6.3%



Operating Margin



Business Update



UTILITIES: -9.7% organic growth

- Dynamic sales in NAM
- Utilities in Europe strongly down vs a decent H1'16, impacting volumes and margins. Stepwise recovery of volumes expected to accelerate in H2
- SAM negatively impacted by lack of OHL contracts in Brazil and natural disasters (Peru and Chile)

OPERATORS: +12.5% organic growth

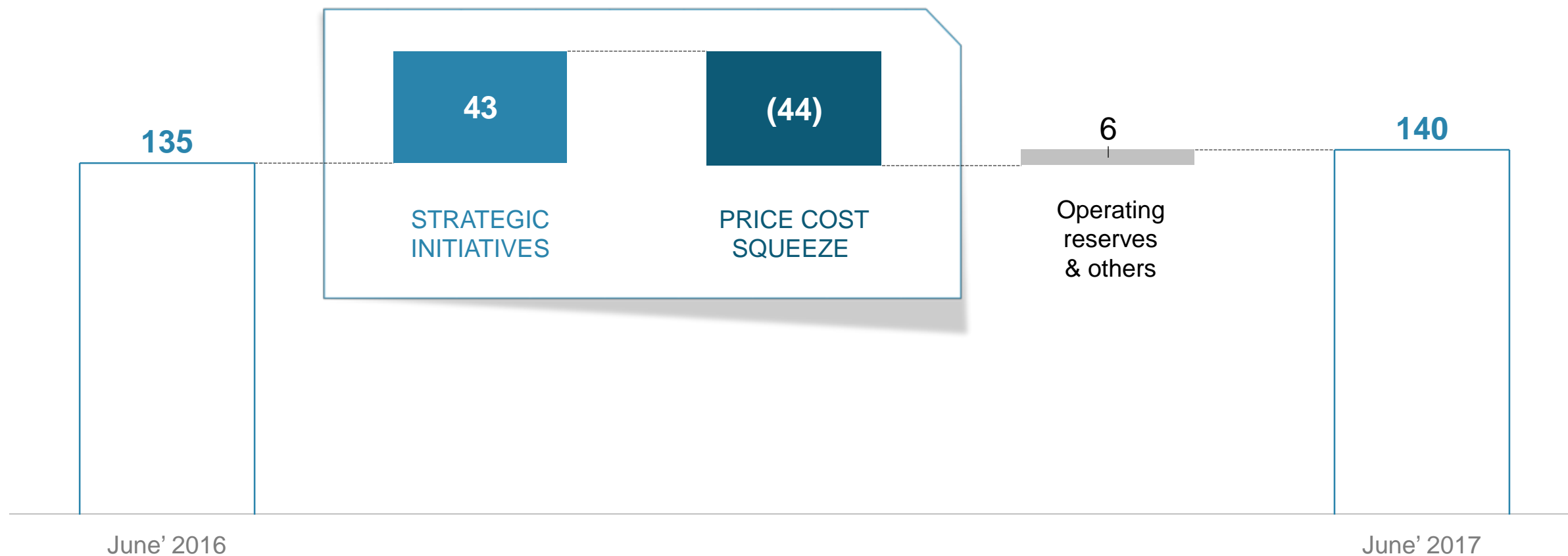
- Strong demand in all areas except for the Nordics

Margins

- Positive momentum in telecom cables and accessories offsets tensions on profit for utilities

2 Strategic initiatives offsetting the volume & price pressure effects

Operating margin evolution in M€



2 Ongoing contributions of strategic initiatives

2013 European plan	Fixed Cost Reduction 15 M€	<ul style="list-style-type: none"> +15 M€ before inflation in addition to the 84 M€ already delivered Combination of enhanced productivity in submarine high voltage and lower fixed costs in Europe
2015 European plan		
OPEX and other plans		
Purchasing Saving	Variable Cost Reduction 12 M€	<ul style="list-style-type: none"> +12 M€ compared to 25 M€ in HY'16 Purchasing and Industrial savings partly offset by price increases in chemical and plastics raw materials
Industrial Efficiency		
Profitable Growth Product Customer Optimization, Service development	Market Leadership 16 M€	<ul style="list-style-type: none"> +16 M€ (38 M€ in HY'16) in addition to 73 M€ already delivered Positive contribution of Submarine High Voltage, Telecom and Industry excluding O&G (~ +43 M€) Tough environments in O&G (~ -13 M€) Base effect versus a strong H1'16 in LAN in the US and Utilities in Europe (~ -17 M€)



○○ 3 ○○ **Key financials**

Nicolas BADRÉ, CFO

3 Income Statement (1/2)

Key figures

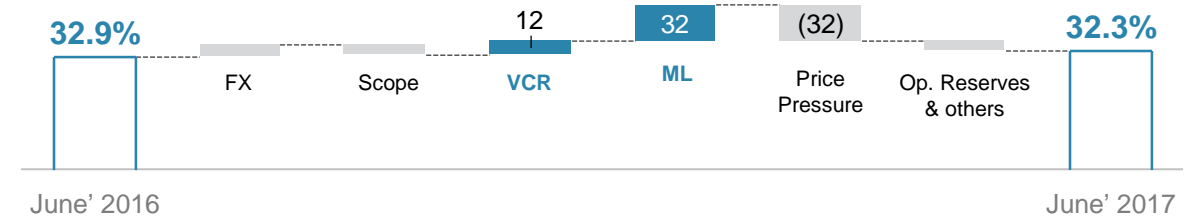
In M€	June 2016	June 2017
Sales at actual metal prices	2,951	3,206
Sales at constant metal prices	2,277	2,336
Margin on variable costs	750	755
margin rate (*)	32.9%	32.3%
Indirect costs	(547)	(544)
EBITDA(**)	203	211
EBITDA rate (*)	8.9%	9.0%
Depreciation	(68)	(71)
Operating margin	135	140
Operating Margin rate (*)	5.9%	6.0%

Notes: (*) margin on Sales at constant metal price

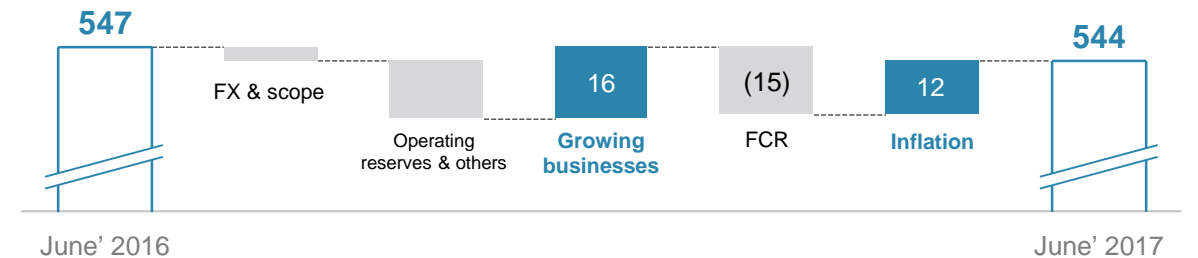
(**) Operating margin before depreciation

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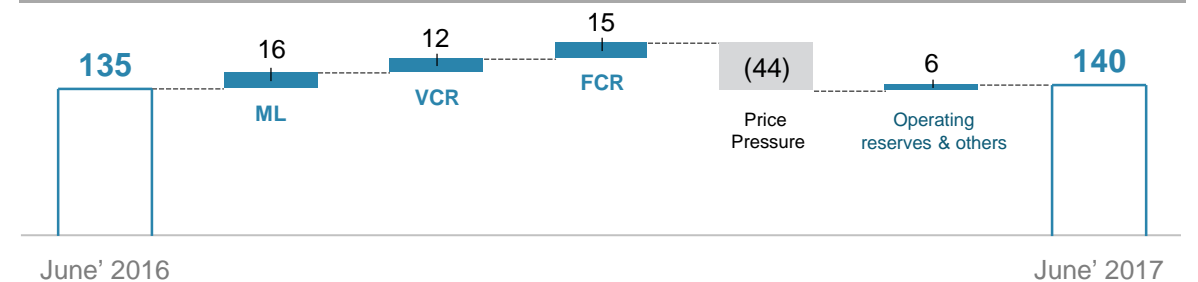
Gross Margin evolution



Indirect costs evolution



Operating Margin evolution



3 Income Statement (2/2)

Key figures

<i>In M€</i>	June 2016	June 2017
Operating margin	135	140
Restructuring	(13)	(20)
Others	(32)	42
Operating income	90	162
Financial charge	(44)	(36)
Income before tax	46	126
Income tax	(17)	(34)
Net income from operations	29	92
Net income Group share	30	91

From Operating Margin to Operating Income

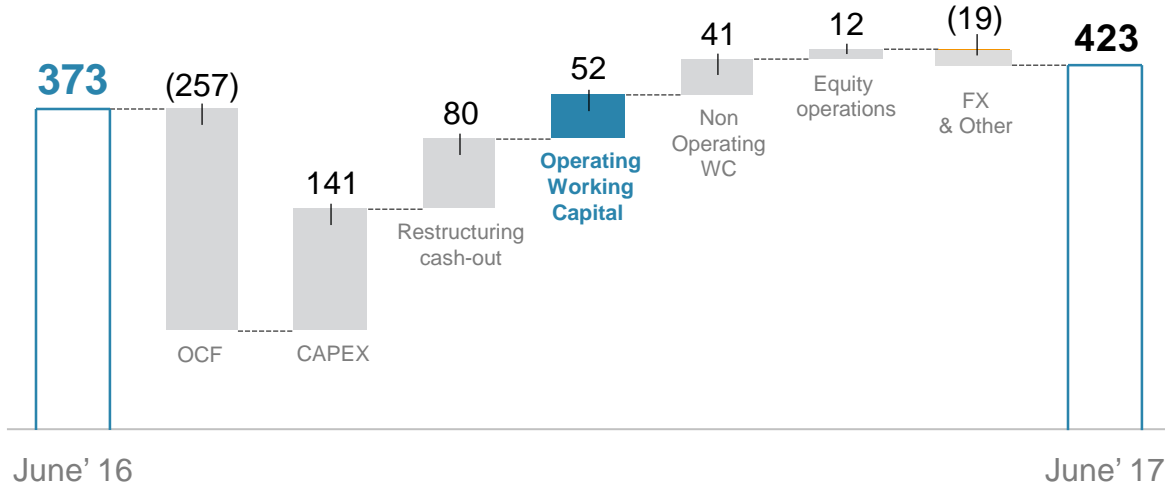
<i>In M€</i>	June'16	June'17
Core exposure Impact	(25)	40
Restructuring	(13)	(20)
Net asset Impairment	-	(1)
Provision for Anti-trust investigation	(6)	-
Change in fair value of metal derivatives	(2)	1
Others	1	2
Adjustments to operating margin	(45)	22

Financial charge

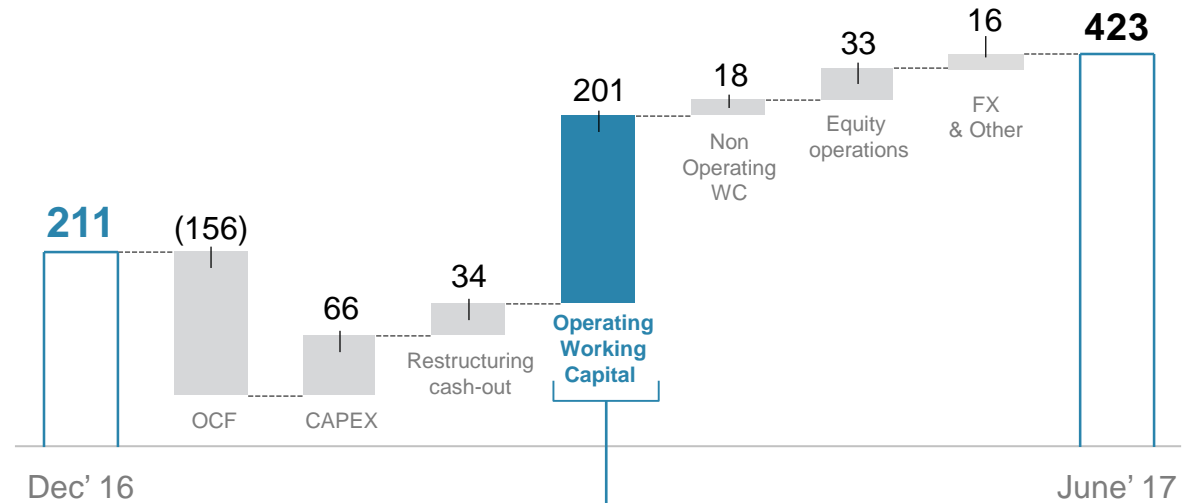
<i>In M€</i>	June'16	June'17
Cost of debt	(30)	(33)
Net foreign exchange gain (loss)	(6)	1
Interest on Pension	(5)	(3)
Others	(3)	(1)
Financial charge	(44)	(36)

3 Focus on cash management

Net Debt last 12 month evolution in M€

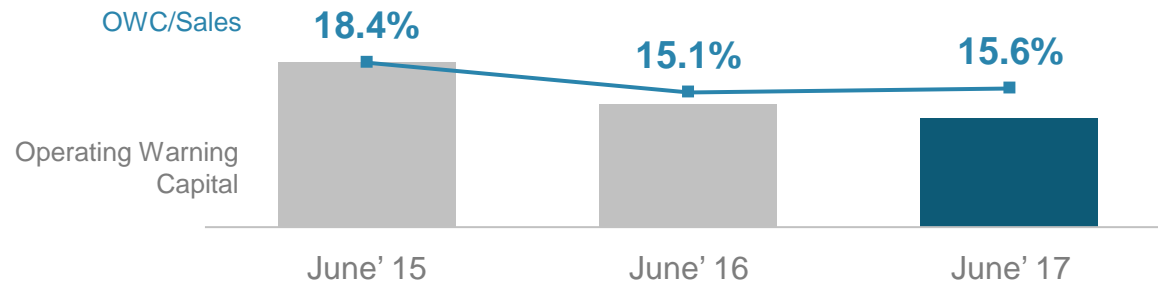


Net Debt last 6 month evolution in M€

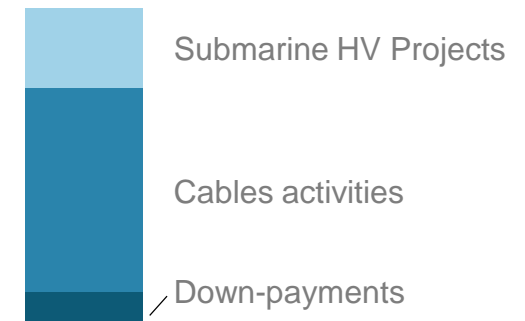


OWC on Sales - excluding Projects

Evolution of Operating Working Capital excluding Project activities



OWC 6 month evolution – cash impact

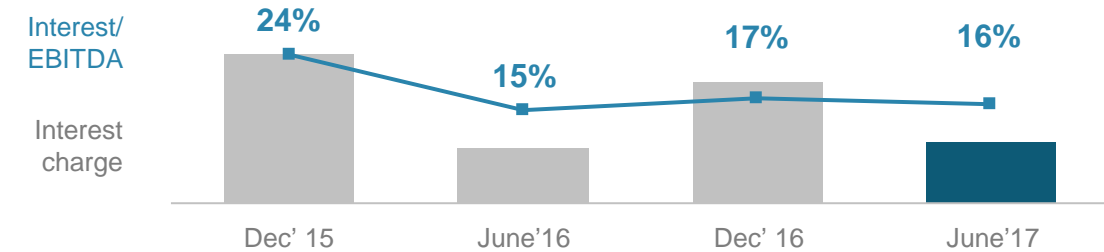


3 Balance Sheet strength

Balance Sheet

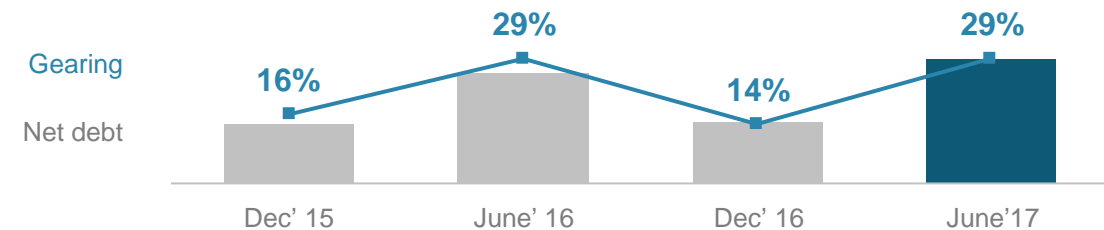
In M€	Dec' 2016	June 2017
Long term fixed assets	1,661	1,602
<i>Of which goodwill</i>	254	242
Deferred tax assets	180	174
Non-current Assets	1,840	1,776
Working Capital	581	798
Total to finance	2,421	2,575
Net financial debt	211	423
Reserves	641	589
<i>Of which: - restructuring</i>	81	62
<i>- pension & jubilee</i>	430	410
Deferred tax liabilities	90	98
Derivative liability non current	10	4
Shareholders' equity and minority interests	1,469	1,461
Total financing	2,421	2,575

Interest Charge over EBITDA



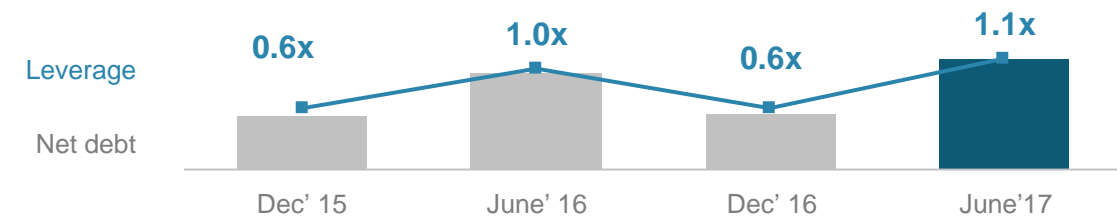
Net debt and gearing ratios

Net Debt over Equity < 30%



Leverage ratios

Net Debt over LTM EBITDA = 1 year



3 Strong liquidity covering future debt refinancing needs

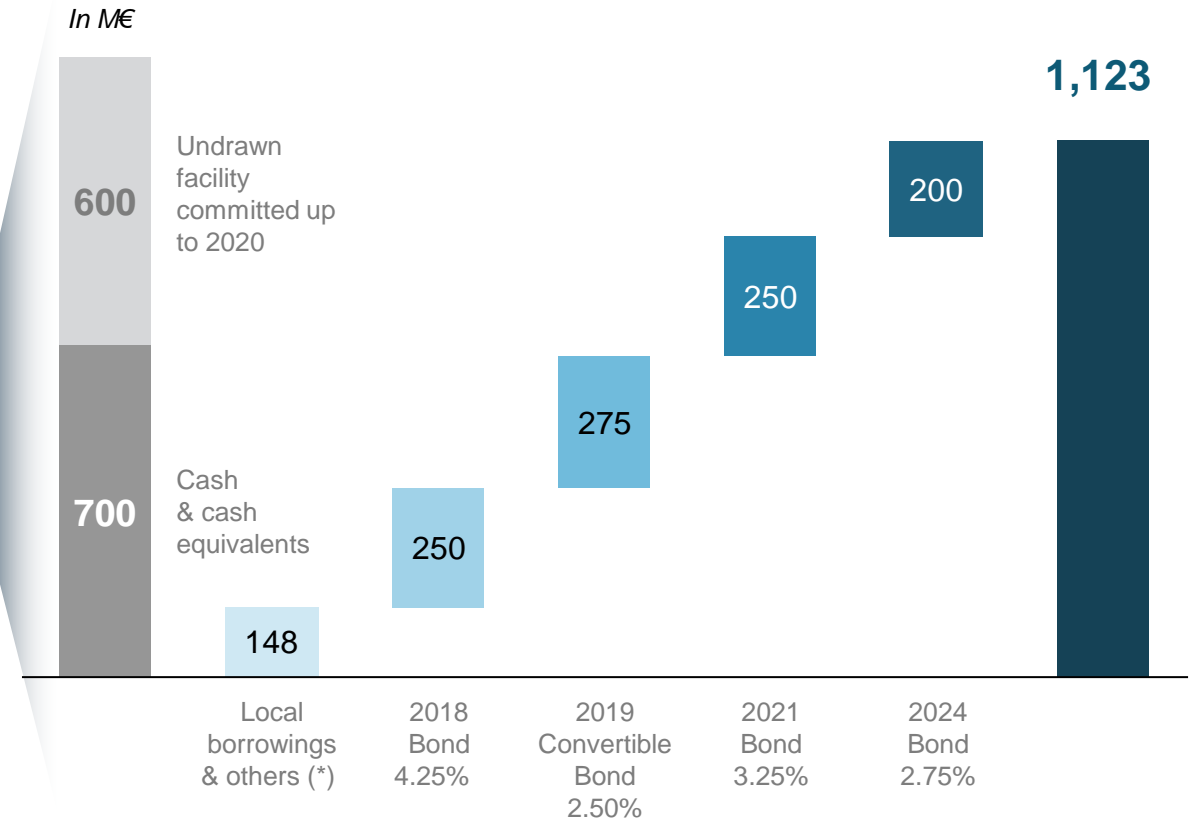
Net Debt breakdown

In M€	June 2017
Long-term ordinary Bonds	447
Other long-term borrowings	4
Short-term convertible Bonds	267
Short-term borrowings and short-term accrued interest not yet due + Short-term ordinary bonds	397
Short-term bank loans and overdrafts	8
Gross Debt	1,123
Short-term financial assets	-
Cash and cash equivalents	(700)
Net Debt	423

Rating & covenants

- S&P rating : BB stable outlook
- Credit facility covenants : leverage ≤ 3 x EBITDA
gearing $\leq 1,1$

Debt redemption



(*) Note: including IAS39 restatements on convertible and ordinary Bonds



○○○ 4 Outlook

Arnaud Poupart-Lafarge, CEO

○○○ 4 Priorities ahead

- Focus on the execution of a stronger backlog for the cable activities in H2 - and accelerate the strategic initiatives –
- Launch capacity increase to sustain the project business development – in particular in NAM –
 - Finalize and communicate the Strategic Plan 2018-2022 –

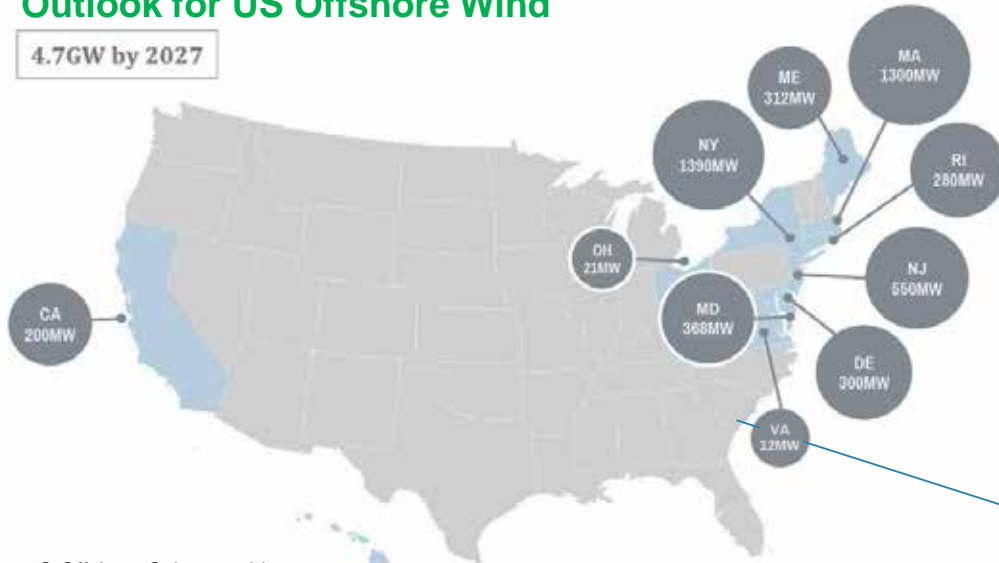
○○○ **4 Nexans brings Energy to Life**
Energy transition

US-based HV facility to become a global power cable hub

Submarine Cable Leadership: As the world’s need for energy continues to grow and submarine cables are becoming increasingly important to fuel global economy, Nexans invests in its US-based HV facility to become an additional global hub for submarine cable.

Outlook for US Offshore Wind

4.7GW by 2027



Source: NREL - 4C Offshore Subsea cable report

Land High Voltage Leadership: the Goose Creek facility has recently obtained its 550 kV Extra High Voltage Cable qualification that will allow the plant to meet the anticipated growth in demand for EHV transmission cables in North America



●●●● **Appendices**

○○○○ Sales and profitability by segment

<i>In M€</i>	June 2016			June 2017		
	Sales	OM	OM %	Sales	OM	OM %
Transmission, Distribution & Operators	945	63	6.7%	1,027	79	7.7%
Industry	602	34	5.6%	587	33	5.7%
Distributors & Installers	580	52	9.0%	572	29	5.0%
Other	150	(14)	n/a	149	(1)	n/a
TOTAL GROUP	2,277	135	5.9%	2,336	140	6.0%

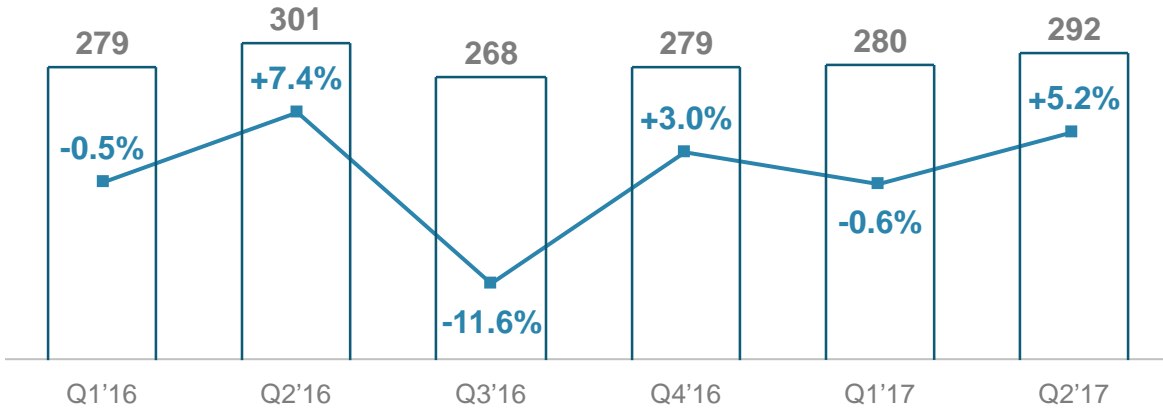
○○○○ Impact of foreign exchange and consolidation scope

<i>Sales at constant metal prices, in M€</i>	June 2016	FX	Organic growth	Scope	June 2017
Transmission, Distribution & Operators	945	18	82	(18)	1,027
Industry	602	7	(4)	(18)	587
Distributors & Installers	580	10	(19)	2	572
Other	150	3	(4)	-	149
TOTAL GROUP	2,277	37	55	(34)	2,336

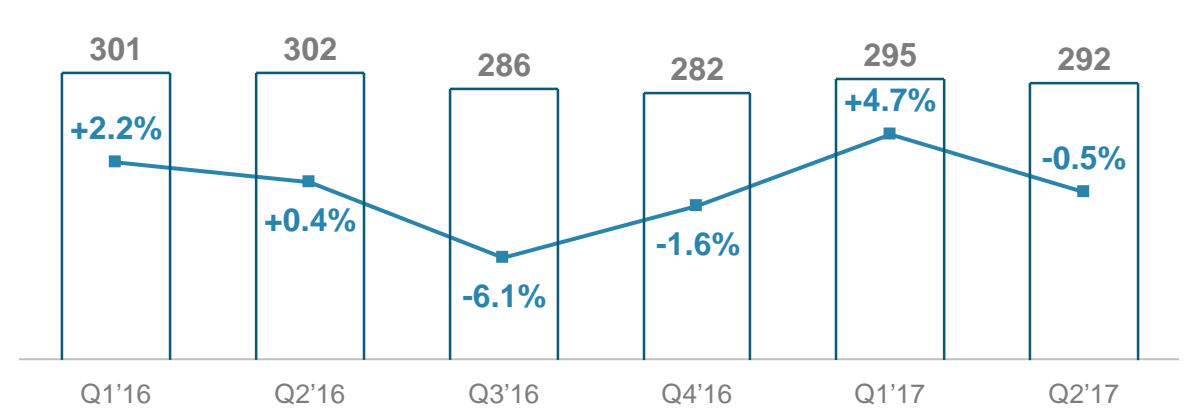
○ ○ ○ ○ Sales by quarter by segment

■ Sequential Growth
 □ Sales at constant metal in M€

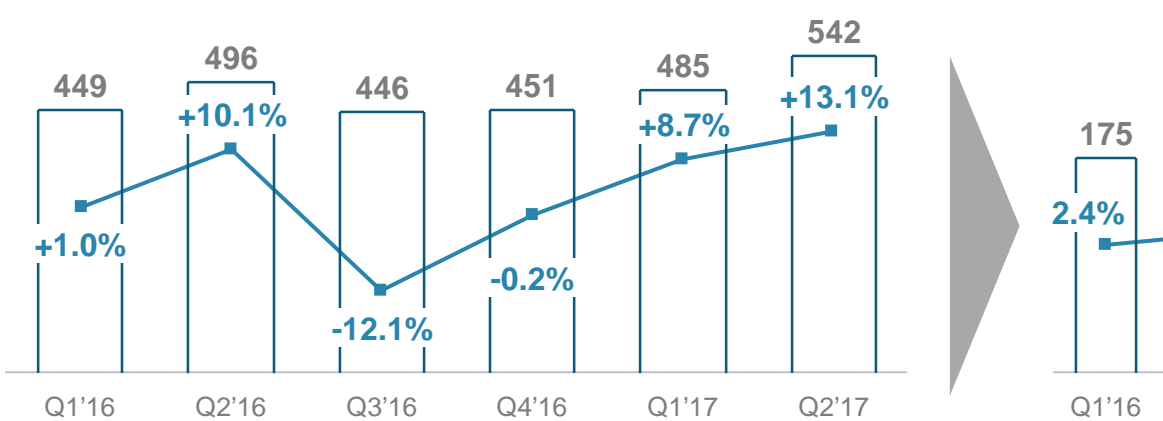
Distributors & Installers



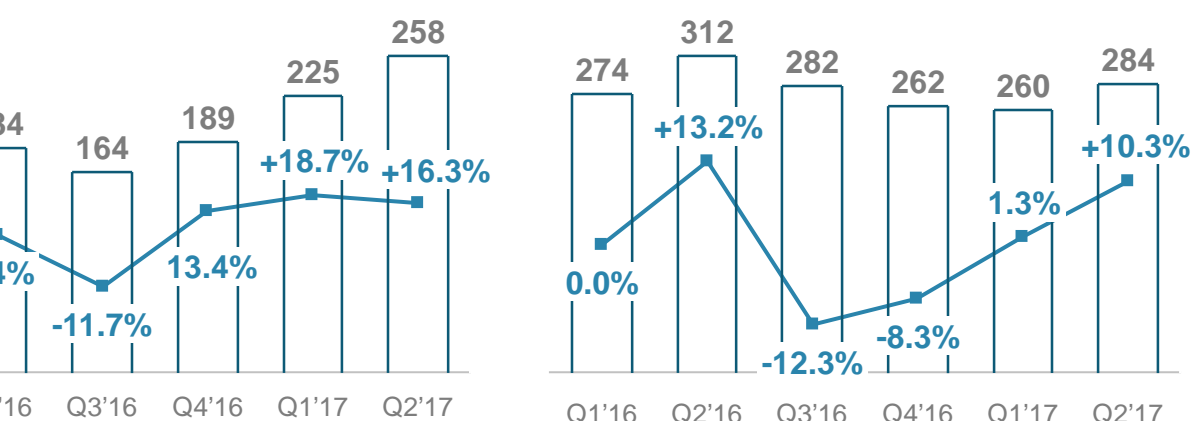
Industry



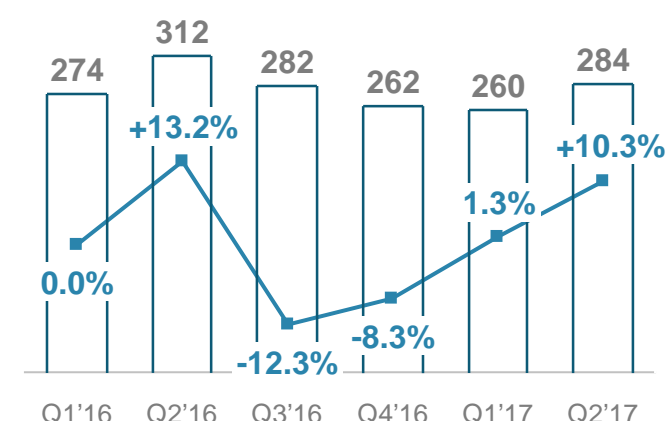
TD&O



Transmission

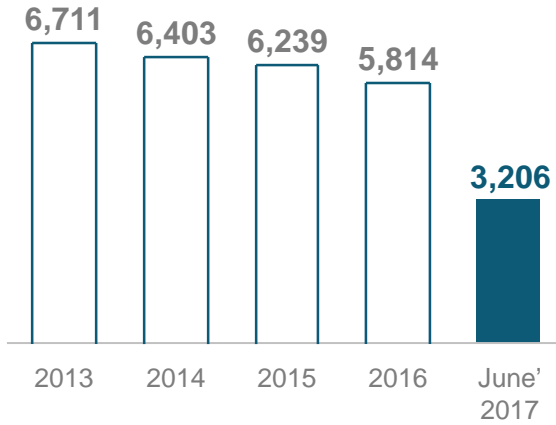


Utilities & Operators

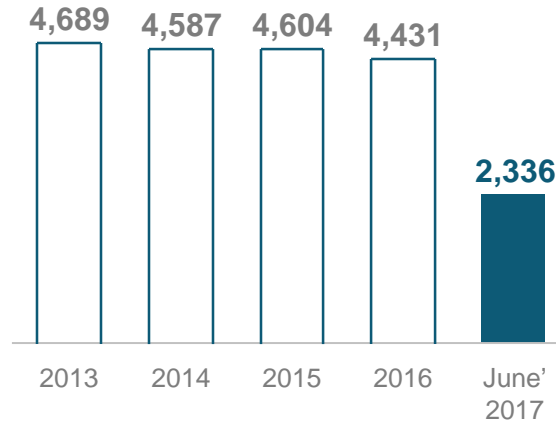


Financial highlights

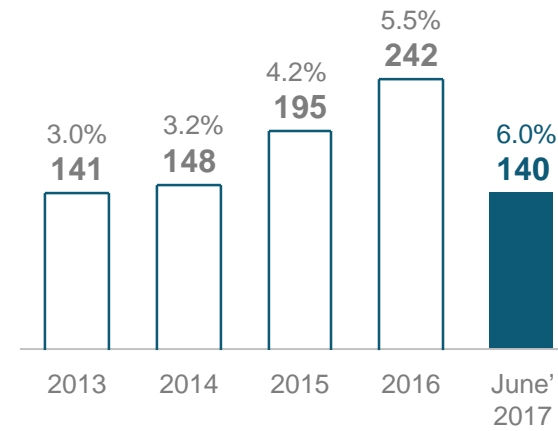
Sales at current metal prices (in M€)



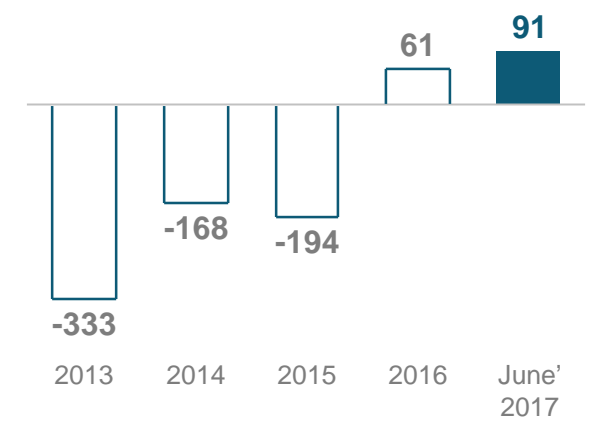
Sales at standard metal prices (in M€)



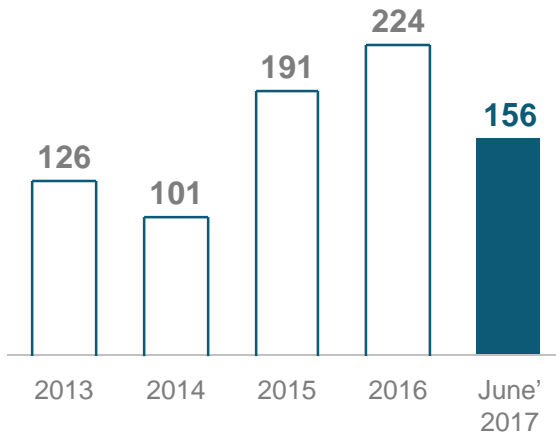
Operating Margin
(in M€ and as % of sales at constant metal prices)



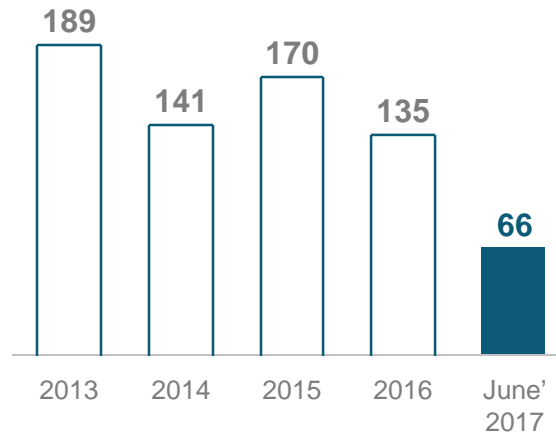
Net income/(Loss) attributable to the owners of the parent (in M€)



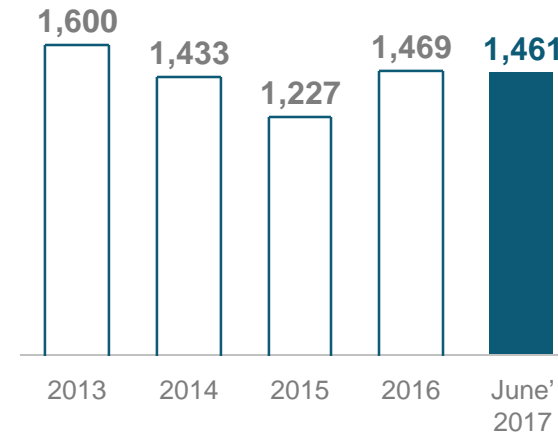
Operational Cash Flow (in M€)



Net Capital expenditure (in M€)



Equity (in M€)



Net Debt (in M€)

